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FM AMEMBASSY BUENOS AIRES
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INFO RHMFISS/CDR USSOCOM MACDILL AFB FL//SCJ2//
RULGPIA/USCOMSOLANT

UNCLAS BUENOS AIRES 000117

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STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,
WHA/EPSC
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E.O. 12958: N/A

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SUBJECT: MEDIA REACTION LULA'S GROWTH ACCELERATION PROGRAM;
ARGENTINE COUNTER-TERRORISM DRAFT BILL; EVO MORALES' NATIONALIZATION
OF THE MINING SECTOR; 01/23/07; BUENOS AIRES

1. SUMMARY STATEMENT

Local papers report on Brazilian President Lula da Silva's "Growth Acceleration Program," which will reportedly have a positive impact on Argentina and Mercosur; Argentina's draft bill against terrorist financing; and Bolivian President Evo Morales' plans to nationalize the mining sector and privatized corporations.

Daily-of-record "La Nacion," leading "Clarín," conservative "La Prensa," left-of-center "Pagina 12" and business-financials "Ambito Financiero" and "InfoBae," as well as three provincial newspapers, three TV channels and radio stations, report on yesterday's press encounter with US Ambassador Earl Anthony Wayne and five Argentine high-school students who were selected to travel to the US as Youth Argentine Ambassadors.

2. OPINION PIECES

- "The end of the 'Palocci era'"

Leading "Clarín's" international analyst Oscar Raul Cardoso writes (01/23) "Perhaps, this is the end of the so-called 'Palocci era' in Brazil... The 'Growth Acceleration Program,' which was bombastically announced by Lula yesterday, bears little resemblance to the prevailing economic view of his term of office.

"At first sight, the over 230-billion-dollar investment project in infrastructure is a sort of neo-Keynesian initiative that is surprisingly far from the Palocci scheme...

"The policies of Lula's first term of office rendered him significant victories. There was even margin for a successful integration of social programs in a project to fight extreme poverty. But magic did not reach growth, which in the first four years did not surpass 2.5 percent per year, a clearly insufficient rate for Brazilian needs. Official economists predict that growth rate will be 5 percent per year as a consequence of the new plan.

"Is this the end of neo-liberalism, which marked Lula's background in power? Not in principle. Lula has committed to maintaining the fiscal surplus and the flotation rules of the value of the Brazilian currency (real). However, it is not clear how he will manage to make governmental investment of over 30 billion dollars compatible with a high primary surplus between 2007 and 2010.

"There are some other questions. Will the private sector support him in this venture? And, more than this, will Congress support him by passing the required legislation? Everything seems to indicate that it will be an uphill battle for Lula...

"There is also the regional impact of his announcement, which will help him unless someone demonstrates that his plan does not work."

- "The Argentine Government hurries financial legislation labeling terrorism as a crime"

Alcadio Oa, columnist of leading "Clarín," writes (01/23) "No good, no bad. In Argentine banking circles there is consensus that the official draft bill against terrorist financing... is supported by the US, and there is also suspicion that, given the nature of the draft bill, it might even have been commented on by the US Embassy in Buenos Aires."

"The lack of such a legislation placed Argentina in the loop of the Financial Action Task Force (FATF), ... As in so many other international institutions, the US has unparalleled weight at the FATF, regardless of the importance of the other G7 members."

"... The future legislation will make progress on something more crucial than (terrorist) financing - terrorism itself, and particularly the one that has a prevailing importance for the US - international terrorism."

"... Obviously enough, if the Argentine Government's draft bill is actually supported by Washington, the risk of a FATF sanction, which could consist of focusing on financial transactions originated in the country, will disappear."

- "Evo announces he will nationalize the mining sector"

Pablo Ortiz, La Paz-based correspondent for left-of-center "Página 12," writes (01/23) "Evo Morales renewed his pledge to Bolivia. After his first year in power, the native leader announced a series of measures aimed at deepening his democratic and cultural revolution - one of them is that he will nationalize the mining sector and the privatized companies."

"And, just in case there were some doubts about his 'Latin-American-styled' socialist inclination, it suffices that his address to the Bolivian Congress lasted four hours, same as that of Hugo Chavez, although he is still far from Fidel Castro's usual seven hours..."

"The only ones who were willing to listen to him during 240 minutes were the members of his party, Movimiento al Socialismo. The opposition left the Congress when he had given half of his address. US Ambassador Philip Goldberg followed suit, not because he was tired. Actually, he left because it did not go down well in him that Evo included in his address the new Bolivian legislation requiring US citizens to have a visa in order to enter Bolivia."

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